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**Genscript Biotech Corporation**

金斯瑞生物科技股份有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1548)**

**INSIDE INFORMATION**

**(1) DEEMED DISPOSAL OF EQUITY INTEREST  
IN PROBIO CAYMAN  
(2) PURCHASE BY THE COMPANY**

**INTRODUCTION**

Reference is made to the announcements of the Company dated 14 May 2021, 7 June 2021, 19 August 2021, 5 September 2021, 4 July 2022 and 6 July 2022 in relation to, among others, the series A financing and the series B financing of Probio Cayman completed on 5 September 2021 and 6 July 2022, respectively.

**DEEMED DISPOSAL**

The Board is pleased to announce that on 17 January 2023 (after trading hours), Probio Cayman entered into the Subscription Agreement with, among others, the Series C Investors, pursuant to which Probio Cayman agreed to issue and sell, and the Series C Investors (including the Company) agreed to purchase, an aggregate of 319,998,370 Series C Preferred Shares for an aggregate consideration of approximately US\$224.00 million (equivalent to approximately HK\$1.75 billion) at the applicable Closing.

## **PURCHASE BY THE COMPANY**

As a part of the Series C Financing of Probio Cayman, concurrently with the Initial Closing, Probio Cayman will also issue and sell to the Company 42,857,000 Series C Preferred Shares for an aggregate consideration of US\$29,999,900 (equivalent to approximately HK\$234.27 million).

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Probio Cayman is indirectly owned by the Company as to approximately 80.34% through its direct wholly-owned subsidiary Probio BVI. Immediately upon the Closing (including the closing of the GenScript Investment), the direct and indirect equity interest of the Company in Probio Cayman will be diluted to 70.32%, without taking into account the future allotment and issuance of the ESOP Shares and assuming (i) the Probio Series A Warrant has not been exercised, and (ii) the Convertible Bond has not been converted into the Probio Shares. Therefore, the Subscription as contemplated under the Subscription Agreement constitutes a deemed disposal of the Company's equity interest in Probio Cayman under Rule 14.29 of the Listing Rules. As all of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Subscription are less than 5%, the Subscription does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12-month period or are otherwise related. As each of the Aggregated Transactions involves a reduction of the percentage shareholding of the Company in Probio Cayman and constitutes a deemed disposal on the part of the Company, the Aggregated Transactions will be required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As all of the applicable percentage ratio (as defined under the Listing Rules) in respect of the deemed disposal arising from the Aggregated Transactions, in aggregate, are less than 5%, the Aggregated Transactions does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The entering into of the Amended and Restated Shareholders Agreement among the parties thereto constitutes a material variation of the terms of the transactions which have been previously announced by the Company in accordance with Chapter 14 of the Listing Rules and is, therefore, required to be disclosed pursuant to Rule 14.36 of the Listing Rules.

## **INTRODUCTION**

This announcement is made by GenScript Biotech Corporation (the "**Company**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 14 May 2021, 7 June 2021, 19 August 2021 and 5 September 2021 in relation to, among others, the series A financing of Probio Cayman

completed on 5 September 2021, and the announcements of the Company dated 4 July 2022 and 6 July 2022 in relation to the series B financing of Probio Cayman completed on 6 July 2022.

## **THE SUBSCRIPTION**

The Board is pleased to announce that on 17 January 2023 (after trading hours), Probio Cayman entered into the Subscription Agreement with the Series C Investors, pursuant to which Probio Cayman agreed to issue and sell, and the Series C Investors (including the Company) agreed to purchase, an aggregate of 319,998,370 Series C Preferred Shares, representing approximately 14.97% of the entire issued share capital of Probio Cayman immediately after the Closing (including the closing of the GenScript Investment), without taking into account the future allotment and issuance of the ESOP Shares (as defined below) and assuming (i) the Probio Series A Warrant has not been exercised, and (ii) the Convertible Bond has not been converted into the Probio Shares, for an aggregate consideration of approximately US\$224.00 million (equivalent to approximately HK\$1.75 billion) (the “**Subscription**” or “**Series C Financing**”).

### **(1) Subscription Agreement**

#### *Date*

17 January 2023

#### *Parties*

- (1) Probio Cayman;
- (2) Probio BVI;
- (3) Probio Subsidiaries;
- (4) Company;
- (5) Dr. Zhang; and
- (6) the Series C Investors.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, besides of the Company itself, each of the Series C Investors and its ultimate beneficial owner is an Independent Third Party.

The principal terms of the Subscription Agreement are summarized as follows:

#### *Consideration*

According to the Subscription Agreement, Probio Cayman agreed to issue and sell, and the Series C Investors (including the Company) agreed to purchase, an aggregate of 319,998,370 Series C Preferred Shares (the “**Subscription Shares**”) of par value US\$0.00002 each at a purchase price of US\$0.70 per share for an aggregate consideration of approximately

US\$224.00 million (equivalent to approximately HK\$1.75 billion) (the “**Subscription Price**”) at the applicable Closing.

The Subscription Price of US\$0.70 for the Subscription Shares was arrived at after arm’s length negotiation between the parties with reference to, among other things, the matters as set out in the paragraph headed “Reasons for and Benefits of the Deemed Disposal” below.

### ***Purchase by the Company as a Part of the Subscription***

As a part of the Series C Financing of Probio Cayman, concurrently with the Initial Closing (as defined below), Probio Cayman will issue and sell, and the Company will purchase, 42,857,000 Series C Preferred Shares of par value US\$0.00002 each at a purchase price of US\$0.70 per share for an aggregate consideration of US\$29,999,900 (equivalent to approximately HK\$234.27 million) (the “**GenScript Subscription Price**”) (the “**GenScript Investment**”).

### ***Closing***

#### ***The Initial Closing with the Series C Investors who are not Onshore Investors***

The Initial Closing (as defined below) of the Subscription shall take place remotely via the exchange of documents and signatures no later than fifteen (15) Business Days following the satisfaction or waiver of the conditions (other than those conditions that by their terms are to be satisfied at the Initial Closing (as defined below), but subject to the satisfaction or waiver (as the case may be) of the relevant conditions precedent), or such other time and place as may be mutually agreed in writing by Probio Cayman and the relevant Series C Investors who are not an Onshore Investor (the “**Initial Closing**”).

For each Series C Investor that is not an Onshore Investor, such Series C Investor shall, at the Initial Closing, pay and deliver to Probio Cayman an amount equal to its respective portion of the Subscription Price in U.S. dollars by wire transfer of immediately available funds to a bank account designated by Probio Cayman.

#### ***The Additional Closing(s) with the Onshore Investors***

The Additional Closing(s) (as defined below) of the Subscription shall take place remotely via the exchange of documents and signatures no later than fifteen (15) Business Days following the satisfaction or waiver of the conditions (other than those conditions that by their terms are to be satisfied at such Additional Closing (as defined below), but subject to the satisfaction or waiver (as the case may be) of the relevant conditions precedent), or such other time and place as may be mutually agreed in writing by Probio Cayman and the relevant Onshore Investor(s) (each, an “**Additional Closing**” and an “**Additional Closing Date**”).

Each of the Onshore Investors shall obtain ODI Approvals in respect of its respective Subscription as a condition precedent to its respective Additional Closing within the Given Period. In the event that an Onshore Investor is unable to obtain ODI Approvals within the Given Period, then (i) such Onshore Investor shall extend an interest-free and collateral-free

convertible loan in the amount equal to its respective portion of the Subscription Price to Probio Nanjing, and Probio Cayman will allow such Onshore Investors up to nine (9) months to obtain ODI Approvals for its Subscription, and (ii) Probio Cayman shall issue to such Onshore Investor a warrant (the “**Probio Series C Warrant**”, pursuant to which such Onshore Investor shall be entitled to subscribe for its respective portion of the Subscription Shares. Upon the Onshore Investor having obtained its ODI Approvals, Probio Nanjing shall remit the convertible loan to such Onshore Investor, whereupon such Onshore Investor shall apply such repayment amount as the exercise price for its Probio Series C Warrant and pay the same to Probio Cayman in exchange for its respective Subscription Shares. As a holder of the Probio Series C Warrant, such Onshore Investor shall be deemed to enjoy the same rights, preference, benefit and interest attached to the Series C Preferred Shares.

### *Conditions precedent of the Closing*

The Closing shall be subject to the satisfaction or waiver (as the case may be) of, among others, the following conditions precedent:

1. the representations and warranties of the Warrantors and the Series C Investors shall remain true and accurate in all respects or in all material respects (as the case may be) as of the applicable Closing;
2. the Warrantors and the Series C Investors having performed and complied in all material respects with all, and not be in breach or default in any material respect under any, agreements, covenants and obligations contained in the Subscription Agreement and other Transaction Documents that are required to be performed or complied with on or before the applicable Closing;
3. all Authorizations (for the Onshore Investors, including the ODI Approvals) in connection with the Subscription having been obtained and effective as of the applicable Closing (other than those Authorizations to be obtained after the Closing pursuant to the Transaction Documents);
4. the Restated Articles having been duly adopted by Probio Cayman and shall remain in full force and effect;
5. the Amended and Restated Shareholders Agreement having been executed and delivered by the Series C Investors on or before the applicable Closing;

The shareholding structure of Probio Cayman immediately before the Initial Closing and immediately after the Closing (assuming all Onshore Investors having obtained ODI Approvals within the Given Period and no Probio Series C Warrant has been issued) is set out below:

Name of shareholders	Probio Shares	Series A Preferred Shares	Series B Preferred Shares	Series C Preferred Shares <sup>(Note 3)</sup>	Shareholding percentage immediately prior to the Initial Closing	Shareholding percentage immediately after the Closing of Series C Financing <sup>(Note 4)</sup>
Genscript Biotech Corporation indirectly through its wholly-owned subsidiary Probio BVI <sup>(Note 1)</sup>	1,460,000,000	-	-	-	80.34%	68.31%
Series A Investors	-	300,000,000	-	-	16.51%	14.04%
Series B Investor	-	-	57,314,000	-	3.15%	2.68%
Series C Investors	-	-	-	319,998,370	-	14.97%
-Legend Capital (君聯資本) entities including:	-	-	-	114,285,700	-	5.34%
- EVER RAINBOW GLOBAL LIMITED	-	-	-	71,428,570	-	3.34%
-LEADING VANTAGE GROUP LIMITED	-	-	-	20,714,280	-	0.97%
- LC HEALTHCARE CONTINUED FUND I, L.P.	-	-	-	22,142,850	-	1.03%
- Genscript Biotech Corporation directly	-	-	-	42,857,000	-	2.01%
- Zhuhai Fenheng Enterprise Management Consulting Center (Limited Partnership)	-	-	-	40,000,000	-	1.87%
- HLC VGC (BVI) I Limited	-	-	-	30,000,000	-	1.40%
- C&D no. 7 Holdings Limited	-	-	-	21,428,570	-	1.00%
- Shanghai Lianpeng Enterprise Management Partnership (Limited Partnership)	-	-	-	18,570,000	-	0.87%
- China Trade in Service Innovation Investment Fund	-	-	-	14,285,700	-	0.67%
- Huatai entities including:	-	-	-	14,285,700	-	0.67%
- Jiangsu Zijin Hongyun Health Industry Investment Partnership (Limited Partnership)	-	-	-	7,142,850	-	0.34%
- Nanjing Huatai Guoxin Medical Investment Partnership (Limited Partnership)	-	-	-	7,107,136	-	0.33%
- Nanjing Daoxing Entrepreneurship Investment Management Center (General Partnership)	-	-	-	35,714	-	0.00%
- GF Xinde Lanhu Suzhou Life Science Investment Fund II (L.P.)	-	-	-	10,000,000	-	0.47%
- Jiangsu Xingtouxinyuan Investment Fund (L.P.)	-	-	-	10,000,000	-	0.47%
- Mega Progress Enterprises Limited	-	-	-	4,285,700	-	0.20%
The ESOP <sup>(Note 2)</sup>	310,588,235	-	-	-	-	-
<b>Total</b>	<b>1,770,588,235</b>	<b>300,000,000</b>	<b>57,314,000</b>	<b>319,998,370</b>	<b>100.00%</b>	<b>100.00%</b>

*Notes:*

- (1) As at the date of this announcement and immediately prior to the Initial Closing, Probio Cayman is approximately 80.34% owned by Probio BVI, which in turn is wholly-owned by the Company.
- (2) The employee stock ownership plan (the “ESOP”) includes the restricted share unit award scheme of Probio Cayman, pursuant to which a maximum of 310,588,235 Probio Shares (the “ESOP Shares”) may be issued pursuant to the vesting of the restricted share units that may be granted or have been granted thereunder. As at the date of this announcement, no ESOP Shares have been allotted and issued.
- (3) The number of Serie C Preferred Shares for subscription under the Subscription Agreement.
- (4) Immediately after the Closing with respect to all Series C Investors and without taking into account the future allotment and issuance of the ESOP Shares and assuming (i) the Probio Series A Warrant has not been fully exercised, and (ii) the Convertible Bond has not been fully converted into the Probio Shares.

## (2) Terms of the Series C Preferred Shares

According to the Restated Articles, the principal terms of the Series C Preferred Shares are summarized as follows:

### *Voting Rights*

Holders of Series C Preferred Shares shall have the right to vote at any general meeting of Probio Cayman on an as-converted basis.

### ***Optional Conversion***

Holders of Series C Preferred Shares shall have the option to convert Series C Preferred Shares into such number of fully paid and non-assessable Probio Shares at the conversion price in effect on the date of and immediately prior to such issuance. The initial conversion price per Series C Preferred Shares shall be the Series C Issue Price. The initial Series C Issue Price shall be subject to adjustments.

### ***Automatic Conversion***

All outstanding Series C Preferred Shares shall automatically be converted into such number of fully paid and non-assessable Probio Shares at the conversion price applicable to such Series C Preferred Share upon the completion of a Qualified IPO.

### ***Non-cumulative Dividend***

Each of the holders of Series C Preferred Shares is entitled to receive non-cumulative dividends in preference to any dividend on the Probio Shares when, as and if declared by the board of directors of Probio Cayman, for each Series C Preferred Share held by such holder, at a rate of 8% per annum and in preference to any dividend on any other shareholders of Probio Cayman.

### ***Restrictions on Transfer***

A holder of Series C Preferred Share may not sell, assign or transfer any equity securities of Probio Cayman now or hereafter held by it unless (i) the transferee has agreed in writing to be bound by terms and conditions of the Amended and Restated Shareholders Agreement pursuant to a deed of adherence, (ii) the transfer complies in all respects with the other applicable provisions of the Amended and Restated Shareholders Agreement, and (iii) the transfer complies in all aspects with applicable laws.

## **(3) The Amended and Restated Shareholders Agreement**

In connection with the Subscription, the Company, Probio BVI, Probio Cayman, the Series A Investors, the Series B Investor and the applicable Series C Investors intend to enter into the Amended and Restated Shareholders Agreement on the date of the applicable Closing, which will supersede the Shareholders Agreement.

According to the Amended and Restated Shareholders Agreement, the holders of the Series C Preferred Shares shall have the following rights:

### ***Liquidation Preference***

The Series C Preferred Shares shall carry a preferential entitlement to distributions on the winding up of Probio Cayman, provided that the Series C Preferred Shares held by the Company is subordinated to the Series C Preferred Shares held by the other Series C Investors in terms of payment preference. Upon any liquidation, dissolution or winding up or other liquidation events of Probio Cayman, prior and in preference to any distribution of any of the

assets or funds of Probio Cayman to other shareholders of Probio Cayman, the holders of Series C Preferred Shares shall be entitled to an amount per Series C Preferred Share equal to the sum of (i) the Series C Issue Price, (ii) interest thereon at an agreed rate per annum, and (iii) all declared and unpaid dividends on each Series C Preferred Share.

### ***Redemption Right***

Upon the occurrence of any Series C Redemption Event (as defined below), the Series C Investors (excluding the Company in its capacity as the holder of Series C Preferred Shares) shall have the right (the “**Series C Redemption Right**”) to require the Warrantors, jointly and severally, to redeem all or any of the Series C Preferred Shares at the Series C Redemption Price (as defined below) per share (the “**Redemption Obligation**”).

The “**Series C Redemption Price**” shall be equal to the aggregate of (i) the Series C Issue Price, (ii) interest at an agreed rate per annum accruing on the Series C Issue Price, calculated from the date of issuance thereof until the date of redemption thereof, and (iii) any declared but unpaid dividends thereto as of the redemption date.

A “**Series C Redemption Event**” means (i) an IPO with an offering price per Probio Share that equal or greater than the Series C Issue Price plus an agreed compounded interest has not been accomplished on or prior to an agreed time, (ii) any material breach by any Warrantor of any Transaction Document and was unable to cure such material breach within thirty (30) Business Days after being notified in writing by the Series C Investors (excluding the Company) to cure such breach, and (iii) any shareholder of Probio Cayman exercises its redemption right.

The Company shall ensure compliance with Rule 14.74 of the Listing Rules upon exercise of the Series C Redemption Right.

### ***Right of First Refusal***

The Series C Investors are entitled to a right of first refusal to purchase all or any portion of Probio Shares that the Company, Probio BVI or any other holder of any Probio Shares (excluding the Probio Shares issued pursuant to the ESOP or upon the conversion of the Preferred Shares) or their respective successors in interest may propose to transfer on a pro rata basis in proportion to its shareholding percentage in Probio Cayman (on a fully-diluted and as-converted basis), at the same price and on the same terms and conditions as those offered to the prospective transferee.

### ***Right of Co-sale***

In the event that the Series C Investors do not exercise its first refusal right, the Series C Investors shall have a right of co-sale to participate in such sale at the same price and on the same terms and conditions as those offered to the prospective transferee.



### ***Preemptive Right***

The Series C Investors shall have the right of first offer to purchase the newly issued equity securities of Probio Cayman on a pro rata basis.

### ***Right to Consent and be Consulted***

Probio Cayman shall obtain prior written consent of the Series A Preferred Majority and the Series C Preferred Majority prior to effecting certain matters, including, among others, the (i) liquidation, dissolution or winding up of Probio Cayman, (ii) amendment of the Restated Articles, (iii) authorization and issuance of Probio Shares, and (iv) public offering of equity securities of Probio Cayman in a non-Qualified IPO, etc. Probio Cayman shall consult the Series A Investors and Series C Investors prior to effecting certain matters, including, among others, the approval of the annual budget and business plan of the Probio Group.

### ***Information and Inspection Rights***

Probio Cayman shall provide the Series C Investors with certain annual, semi-annual, and quarterly financial statements and other reasonable information relating to the financial conditions and business of Probio Cayman.

Series C Investors shall have the right to (i) inspect the properties, equipment, facilities, books and records of Probio Cayman, and (ii) discuss the business, operations and conditions of Probio Cayman with its directors.

### ***Appointment Right***

Legend Capital shall be entitled to designate and appoint one (1) director to the board of directors of Probio Cayman, provided that the Preferred Shares (including any and all Probio Shares issued or issuable upon conversion of such Preferred Shares) and the Series C Preferred Shares underlying the Probio Series C Warrant collectively held by Legend Capital and C&D no.7 Holdings Limited is at least five percent (5%) of the then issued and outstanding Probio Shares, the Series A Preferred Shares, the Series B Preferred Shares and the Series C Preferred Shares.

Legend Capital (through its representative) shall be entitled to attend all meetings of the board of directors of Probio Cayman in a non-voting observer capacity, provided that the Preferred Shares (including any and all Probio Shares issued or issuable upon conversion of such Preferred Shares) and the Series C Preferred Shares underlying the Probio Series C Warrant collectively held by Legend Capital and C&D no.7 Holdings Limited is at least three percent (3%) but not more than five percent (5%) of the then issued and outstanding Probio Shares, the Series A Preferred Shares, the Series B Preferred Shares and the Series C Preferred Shares.

## GENERAL INFORMATION

### Information on the Series C Investors (excluding the Company)

(1) ***Legend Capital through (a) EVER RAINBOW GLOBAL LIMITED, (b) LEADING VANTAGE GROUP LIMITED, and (c) LC HEALTHCARE CONTINUED FUND I, L.P.***

Founded in 2001, Legend Capital group is a leading VC&PE investor focusing on the early-stage and growth-stage opportunities in China, with offices across Beijing, Shanghai, Shenzhen, Hong Kong, and Seoul, Korea. It currently manages USD and RMB funds of over US\$10 billion in commitments, and has invested in around 600 companies, covering technology, healthcare, consumer, enterprise service and intelligent manufacturing sectors.

Each of EVER RAINBOW GLOBAL LIMITED and LEADING VANTAGE GROUP LIMITED is a company incorporated in the British Virgin Islands, and LC HEALTHCARE CONTINUED FUND I, L.P. is an exempted limited partnership incorporated in the Cayman Island.

Each of EVER RAINBOW GLOBAL LIMITED, LEGEND VANTAGE GROUP LIMITED and LC HEALTHCARE CONTINUED FUND I, L.P. is an affiliate of Legend Capital Co., Ltd. (君聯資本管理股份有限公司), a company incorporated under the laws of the PRC, which is held as to 80% by Beijing Juncheng Hezhong Investment Management Partnership Enterprises (Limited Partnership)\* (北京君誠合眾投資管理合夥企業(有限合夥)) and 20% by Legend Holdings Corporation (stock code: 3396.HK).

(2) ***Zhuhai Fenheng Enterprise Management Consulting Center (Limited Partnership) (珠海 盼恆企業管理諮詢中心 (有限合夥)) (“Zhuhai Fenheng”)***

Zhuhai Fenheng is a limited partnership established in the PRC, the general partner of which is Shenzhen Gao Ling Tiancheng III Investment Co., Ltd. (深圳高瓴天成三期投資有限公司), and the investment manager of which is Zhuhai Gao Ling Equity Investment Management Co., Ltd. (深圳高瓴股權投資管理有限公司), a limited liability company established in the PRC (“**Zhuhai Gao Ling**”). Zhuhai Gao Ling partners with exceptional entrepreneurs and management teams to create value, often with a focus on innovation and growth.

(3) ***HLC VGC (BVI) I Limited***

HLC VGC (BVI) I Limited is a company incorporated in the British Virgin Islands, and is owned and controlled by HLC VGC Fund IV L.P. (“**HLC VGC**”), an exempted limited partnership formed under the laws of the Cayman Islands, whose primary purpose is to make equity investments with a focus on healthcare and consumer technology. HLC VGC is an affiliate of HighLight Capital (弘暉基金), a private investment firm dedicated to creating long-term values through promoting technology innovations.

**(4) C&D no. 7 Holdings Limited**

C&D no.7 Holdings Limited is a company incorporated in the British Virgin Islands, of which the sole investment shareholder is Xiamen C&D Emerging Industry Investment No.7 Partnership (Limited Partnership). Xiamen Jianxin Investment Co., Ltd.\* (廈門建鑫投資有限公司) and Xiamen C&D Emerging Industry Equity Investment Co., Ltd.\* (廈門建發新興產業股權投資有限責任公司) (the “**Xiamen C&D Investment**”) are the general partner and investor of Xiamen C&D Emerging Industry Investment No.7 Partnership (Limited Partnership), respectively.

Xiamen C&D Investment is a professional equity asset management company affiliated to Xiamen C&D Corporation Limited\* (廈門建發集團) and focuses on new economy sectors including healthcare, advanced manufacturing and TMT/innovative consumption.

**(5) Shanghai Lianpeng Enterprise Management Partnership (Limited Partnership)\* (上海聯芘企業管理合夥企業 (有限合夥)) (“Shanghai Lianpeng”)**

Shanghai Lianpeng is a limited partnership organized under the laws of the PRC, of which the managing partner is Shanghai New Alliance Capital Management Co.Ltd.\* (上海聯新資本管理有限公司) (“NAC”).

Founded in 2008, NAC is one of the leading private equity investment firms in China. NAC manages multiple growth capital and venture capital investment funds, with a total asset worth over RMB15 billion. NAC’s investment in over 160 projects from TMT, Hard & Core Technology, Healthcare and other sectors, helped to grow a group of industry champions, including more than 40 cases of successful IPOs domestic and abroad.

**(6) China Trade in Service Innovation Investment Fund\* (服務貿易創新發展引導基金) (“CTSII Fund”)**

CTSII Fund is a state-level seed fund established by the Ministry of Commerce, Ministry of Finance, and China Merchants Group with the approval of the State Council, to promote the innovative development of the service economy. With a scale of RMB\$30 billion, CTSII Fund mainly focuses on the area of the digital economy, new trade forms and models, and healthcare technology.

**(7) Huatai Zijin Investment Co., Ltd.\* (華泰紫金投資有限責任公司) (“Huatai Zijin”) through**  
**(a) Nanjing Huatai Guoxin Medical Investment Partnership (Limited Partnership)\* (南京華泰國信醫療投資合夥企業 (有限合夥)) (“Huatai Guoxin”), (b) Jiangsu Zijin Hongyun Health Industry Investment Partnership (Limited Partnership) (江蘇紫金弘雲健康產業投資合夥企業 (有限合夥)) (“Zijin Hongyun”) and (c) Nanjing Daoxing**

***Entrepreneurship Investment Management Center (General Partnership)*** (南京道興創業投資管理中心 (普通合夥)) (“***Nanjing Daoxin***”)

Huatai Guoxin is a fund founded in 2020 under the laws of the PRC with the fund size of approximately RMB3 billion. Huatai Guoxin focuses on biomedicine, medical devices, medical services and other healthcare fields, and mainly invests in growth and mature stage projects, taking into account start-up companies with high growth potentials as well.

Zijin Hongyun is a fund founded in 2019 under the laws of the PRC with the fund size of approximately RMB1.5 billion. Zijin Hongyun focuses on biomedicine, medical devices, medical services and other healthcare fields, and mainly invests in growth and mature stage projects, taking into account start-up companies with high growth potentials as well.

Nanjing Daoxing is a fund founded in 2017 and a co-investment platform of Huatai Zijin.

Huatai Zijin is the sole manager of each of Huatai Guoxin and Zijin Hongyun. Huatai Zijin is a wholly-owned subsidiary of Huatai Securities Co., Ltd. (stock code: 601688.SH, 6886.HK and HTSC.LSE) specializing in private equity investment business.

**(8) *GF Xinde Lanhu Suzhou Life Science Investment Fund II (L.P.)\**** (廣發信德嵐湖二期 (蘇州) 健康產業創業投資合夥企業 (有限合夥)) (“***GF Xinde***”)

GF Xinde is a limited partnership formed in the PRC and is managed by Guangfa Xinde Capital Management Limited\* (廣發信德投資管理有限公司) (“***GF Xinde Capital***”).

GF Xinde Capital is a wholly-owned subsidiary of GF Securities Co., Ltd.\* (廣發證券股份有限公司) (stock code: 000776.SZ and 01776.HK) and primarily engages in providing all varieties of financial services. GF Xinde Capital is among the top-tier fund management companies in China, focusing on early-stage VC, growth-stage PE and M&A, and covering healthcare and biotech, high technology, TMT and multiple other industries.

**(9) *Jiangsu Xingtouxinyuan Investment Fund (L.P.)\**** (江蘇興投新源股權投資基金 (有限合夥))

Jiangsu Xingtouxinyuan Investment Fund (L.P.) was founded in 2020 in the PRC, of which the general manager and executive partner is Xingtou (Beijing) Asset Management Co., Ltd.\* (興投 (北京) 資本管理有限公司), and a wholly-owned subsidiary of Ciit Asset Management Co., Ltd.\* (興業國信資產管理有限公司) (“***CIIT***”).

CIIT is the main equity investment platform of Industrial Bank of China. CIIT mainly focuses on the fields of renewable energy, semiconductor, life science, technology, etc., and provides the investee with equity financing, comprehensive financial services, industrial resources and other empowerment, aiming to support the transformation and development of China's real economy.

## **(10) Mega Progress Enterprises Limited**

Mega Progress Enterprises Limited is a company incorporated in the British Virgin Islands and a professional equity asset management company wholly-owned by Mr. TONG Lap Sun, focusing on new economic sectors including the whole industrial chain of new energy vehicles, semiconductors, advanced manufacturing and TMT, etc..

### **Information on Probio Group**

Probio Cayman is an indirect non wholly-owned subsidiary of the Company incorporated on 7 May 2021 in the Cayman Islands as an exempted company with limited liability. Probio Group provides comprehensive contract development and manufacturing organization (CDMO) services to biotech and biopharma companies in antibody drug discovery, as well as pre-clinical development, clinical and commercial manufacturing for biologics and plasmid & virus for therapeutics.

There was no audited consolidated financial information of Probio Cayman and its subsidiaries for the year ended 31 December 2020. The unaudited consolidated financial information prepared in accordance with the Hong Kong Financial Reporting Standards of Probio Cayman for the period from its date of establishment to 31 December 2021 and for the six months ended 30 June 2022 is set forth below:

	<b>For the period from its date of establishment to 31 December 2021</b>	<b>For the six months ended 30 June 2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Revenue	46,812	62,651
Loss before tax	(141,153)	(21,118)
Net loss after tax	(141,687)	(22,233)

As at each of 31 December 2020, 31 December 2020 and 30 June 2022, the unaudited net liabilities of Probio Cayman and its subsidiaries were nil, US\$139,532,000 and US\$158,642,000, respectively.

### **REASONS FOR AND BENEFITS OF THE DEEMED DISPOSAL**

The proceeds from the Subscription are intended to be used to for general working capital, business expansion, and other corporate purposes. The Company believes that the Subscription would provide an additional source of funding for Probio to build up manufacturing capacity, further research and development capabilities and opportunistically acquire assets to develop its CDMO business and create value for the Company's shareholders.

The terms of the Transaction Agreements have been arrived at after arm's length negotiations among the parties. The Directors (including independent non-executive Directors) are of the view and have confirmed that the terms of the Transaction Agreements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS FROM THE SUBSCRIPTION**

Probio Cayman intends to utilize the net proceeds from the Subscription for general working capital, business expansion, and other corporate purposes.

## **THE FINANCIAL IMPACT OF DEEMED DISPOSAL**

Immediately prior to the Closing, Probio Cayman was approximately 80.34% owned by Probio BVI. Immediately after the Closing (including the closing of the GenScript Investment), Probio Cayman is owned as to approximately 70.32% by the Company, directly and indirectly, without taking into account the future allotment and issuance of the ESOP Shares and assuming (i) the Probio Series A Warrant has not been exercised, and (ii) the Convertible Bond has not been converted into the Probio Shares. Probio Cayman will continue to be an indirect non-wholly-owned subsidiary of the Company. The results of operations and financial position of Probio Cayman will continue to be recorded in the Group's consolidated financial statements. As the effect of the Subscription and the Deemed Disposal will not cause a loss of the Group's control over Probio Cayman, the Deemed Disposal due to the Subscription will be accounted for as an equity transaction that will not result in the recognition of any gain or loss in profit or loss.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Probio Cayman is indirectly owned by the Company as to approximately 80.34% through its wholly-owned subsidiary Probio BVI. Immediately upon the Closing (including the closing of the GenScript Investment), the direct and indirect equity interest of the Company in Probio Cayman will be diluted to approximately 70.32%, without taking into account the future allotment and issuance of the ESOP Shares and assuming (i) the Probio Series A Warrant has not been exercised, and (ii) the Convertible Bond has not been converted into the Probio Shares. Therefore, the Subscription as contemplated under the Subscription Agreement constitutes a deemed disposal of the Company's equity interest in Probio Cayman under Rule 14.29 of the Listing Rules. As all of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Subscription are less than 5%, the Subscription does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12-month period or are otherwise related. As each of the Aggregated Transactions involves a reduction of the percentage shareholding of the Company in Probio Cayman and constitutes a deemed disposal on the part of the Company, the Aggregated Transactions will be required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As all of the applicable percentage ratio (as defined under the Listing Rules) in respect of the deemed disposal arising from the Aggregated Transactions, in aggregate, are less than 5%, the Aggregated Transactions does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

None of the Directors has any material interest in the Transaction Agreements and the transactions contemplated thereunder. The Board (including the independent non-executive Directors) has approved the Transaction Agreements and the transactions contemplated thereunder. The Directors

(including independent non-executive Directors) are of the view and have confirmed that the terms of the Transaction Agreements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The entering into of the Amended and Restated Shareholders Agreement among the parties thereto constitutes a material variation of the terms of the transactions which have been previously announced by the Company in accordance with Chapter 14 of the Listing Rules and is, therefore, required to be disclosed pursuant to Rule 14.36 of the Listing Rules.

**The Subscription may or may not proceed and that the Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Aggregated Transactions”	collectively, the (i) the deemed disposal of the Company’s equity interests in Probio Cayman pursuant to the series B financing of Probio Cayman (see announcements of the Company dated 4 July 2022 and 5 July 2022 for details) and (ii) the Subscription;
“Amended and Restated Shareholders Agreement”	the second amended and restated shareholders agreement to be entered into by, among others, Probio Cayman, the Company, Probio BVI, the Probio Subsidiaries, Dr. Zhang, the Series A Investors, the Series B Investor and the Series C Investors at the applicable Closing;
“Authorizations”	any consent, approval, order, license or authorization of, registration, certificate, declaration or filing with or notice to any governmental authority;
“Board”	the board of Directors;
“Business Day”	any day other than Saturday, Sunday or another day on which commercial banks located in the Cayman Islands, the PRC or Hong Kong are authorized or required by law or executive order to be closed and on which no tropical cyclone warning No. 8 or above and no “black” rainstorm warning signal is hoisted in Hong Kong at any time between 8:00 a.m. and 6:00 p.m. Hong Kong time;
“Closing”	the Initial Closing and all Additional Closing(s) (if more than one Additional Closing);
“Company”	Genscript Biotech Corporation 金斯瑞生物科技股份有限公司 * (Stock Code: 1548), a company incorporated in the Cayman

	Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Convertible Bond”	the convertible bond in the principal amount of US\$70,000,000 convertible into certain Probio Shares issued by Probio Cayman to the Company through its subsidiary, being Probio BVI, on the Series A Closing Date;
“Deemed Disposal”	the deemed disposal of equity interest in Probio Cayman in relation to the Subscription;
“Director(s)”	the director(s) of the Company;
“Dr. Zhang”	an executive Director of the Company and one of controlling shareholders of the Company;
“Given Period”	ninety (90) days from the date of the Subscription Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	the independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company;
“IPO”	Probio Cayman’s first firm commitment underwritten public offering of its Probio Shares, or securities representing such Probio Shares, (or as the case may be, the shares or securities of the relevant entity resulting from any merger, reorganisation or other arrangements made by or to Probio Cayman for the purposes of public offering), on the Main Board and the STAR Market of the Shanghai Stock Exchange, the Main Board and the Growth Enterprise Market of the Shenzhen Stock Exchange, the Main Board of The Hong Kong Stock Exchange or other internationally recognized stock exchange as may be approved by the board of directors of Probio Cayman and the holders of the Series A Preferred Shares and Series C Preferred Shares;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Legend Capital ”	EVER RAINBOW GLOBAL LIMITED, LEADING VANTAGE GROUP LIMITED, and LC HEALTHCARE



	CONTINUED FUND I, L.P., including their respective assigns and successors who become holders of Series C Preferred Shares;
“Probio Nanjing”	Nanjing ProBio Biotech Co., Ltd.* (南京蓬勃生物科技有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of Probio Cayman;
“ODI Approvals”	all overseas direct investment approvals, consents, authorizations and registrations required under all applicable laws by (i) the National Development and Reform Commission of the PRC or its local counterparts; (ii) the Ministry of Commerce of the PRC or its local counterparts; and (iii) the State Administration for Foreign Exchange or its local branches (including through the relevant foreign exchange banks), in each case, relating to the Subscription;
“Onshore Investors”	EVER RAINBOW GLOBAL LIMITED, LEADING VANTAGE GROUP LIMITED, Zhuhai Fenheng Enterprise Management Consulting Center (Limited Partnership), C&D no. 7 Holdings Limited, Shanghai Lianpeng Enterprise Management Partnership (Limited Partnership), China Trade in Service Innovation Investment Fund, Jiangsu Zijin Hongyun Health Industry Investment Partnership (Limited Partnership), Nanjing Huatai Guoxin Medical Investment Partnership (Limited Partnership), Nanjing Daoxing Entrepreneurship Investment Management Center (General Partnership), GF Xinde Lanhu Suzhou Life Science Investment Fund II (L.P.) and Jiangsu Xingtouxinyuan Investment Fund (L.P.);
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of China and Taiwan;
“Preferred Shares”	the Series A Preferred Shares, Series B Preferred Shares and/or the Series C Preferred Shares (as the case may be);
“Probio BVI”	Probio Technology I Limited, a limited company incorporated in the British Virgin Islands, which is a direct wholly-owned subsidiary of the Company;
“Probio Cayman”	Probio Technology Limited, an exempted company incorporated in the Cayman Islands with limited liability, which is approximately 80.34% owned by Probio BVI and in turn is wholly-owned by the Company immediately prior to the Closing;
“Probio Group”	Probio Cayman and the Probio Subsidiaries;
“Probio Shares”	the ordinary shares of Probio Cayman of par value US\$0.00002 per share;

“Probio Subsidiaries”	collectively, Probio Technology (BVI) Limited, Probio Technology HK Limited (香港蓬勃生物科技有限公司), Probio Technology (Netherlands) B.V., Genscript Probio USA Inc., Probio Nanjing, Jiangsu Genscript Probio Biotech Co., Ltd.* (江蘇金斯瑞蓬勃生物科技有限公司), Genscript Probio Biotech Korea Ltd., and Shanghai Genscript Probio Biotech Co., Ltd. (上海金斯瑞蓬勃生物科技有限公司);
“Probio Series A Warrant”	the warrant to purchase certain Probio Shares issued by Probio Cayman to the Series A Investors on 3 September 2021, the date of the closing of Series A financing of Probio Cayman;
“Qualified IPO”	an IPO with an offering price per Probio Share being at least two (2) times the Series A Issue Price;
“Restated Articles”	the Amended and Restated Memorandum and Articles of Association of Probio Cayman to be adopted by special resolution at the Initial Closing;
“RMB”	PRC Renminbi;
“Series A Investors”	the holders of the Series A Preferred Shares;
“Series A Issue Price”	means US\$0.50 per Series A Preferred Share, as equitably adjusted for share split, share combination, recapitalization, or similar events;
“Series A Preferred Majority”	the holders of at least 50% of the voting power of the issued and outstanding Series A Preferred Shares (voting together as a single class and on an as-converted basis);
“Series A Preferred Shares”	the Series A preferred shares issued by Probio Cayman;
“Series B Preferred Shares”	the Series B preferred shares issued by Probio Cayman;
“Series C Issue Price”	means US\$0.70 per Series C Preferred Share, as equitably adjusted for share split, share combination, recapitalization, or similar events;
“Series C Preferred Shares”	the Series C preferred shares to be issued by Probio Cayman;
“Series C Preferred Majority”	the holders of at least 50% of the voting power of the issued and outstanding Series C Preferred Shares (voting together as a single class and on an as-converted basis and exclusive of any and all the Series C Preferred Shares held by the Company);
“Series C Investors”	collectively, EVER RAINBOW GLOBAL LIMITED, LEADING VANTAGE GROUP LIMITED, LC HEALTHCARE CONTINUED FUND I, L.P., the Company,

Zhuhai Fenheng Enterprise Management Consulting Center (Limited Partnership), HLC VGC (BVI) I Limited, C&D no. 7 Holdings Limited, Shanghai Lianpeng Enterprise Management Partnership (Limited Partnership), China Trade in Service Innovation Investment Fund, Jiangsu Zijin Hongyun Health Industry Investment Partnership (Limited Partnership), Nanjing Huatai Guoxin Medical Investment Partnership (Limited Partnership), Nanjing Daoxing Entrepreneurship Investment Management Center (General Partnership), GF Xinde Lanhu Suzhou Life Science Investment Fund II (L.P.), Jiangsu Xingtouxinyuan Investment Fund (L.P.), Mega Progress Enterprises Limited, and “**Series C Investor**” shall mean each of them;

“Shareholders”	the holders of shares of the Company;
“Shareholders Agreement”	the Shareholders Agreement dated 4 July 2022 entered into by and among GenScript, Probio BVI, Probio Cayman, the Series A Investors and the Series B Investor;
“Subscription Agreement”	the share subscription agreement dated 17 January 2023 entered into by and among Probio Cayman, Probio BVI, Probio Subsidiaries, the Company, Dr. Zhang and the Series C Investors, pursuant to which Probio Cayman agreed to issue, and the Series C Investors (including the Company) agreed to purchase, an aggregate of 319,998,370 Series C Preferred Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction Documents”	collectively, the Subscription Agreement, the Restated Articles, the Amended and Restated Shareholders Agreement, and any other agreements, documents or instruments delivered pursuant hereto or thereto;
“US\$”	United States Dollar, the lawful currency of the United States of America;
“Warrantors”	the Company, Probio BVI and Probio Group, and “ <b>Warrantor</b> ” shall mean each of them; Dr. Zhang is a deemed Warrantor solely for certain representations and warranties and covenants; and
“%”	per cent.

*For the purposes of illustration only, any amount denominated in US\$ in this announcement was translated into HK\$ at the rate of US\$1 = HK\$7.809. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.*

By order of the Board  
**Genscript Biotech Corporation**  
**Meng Jiange**  
*Chairman and Executive Director*

Hong Kong, 17 January 2023

*As at the date of this announcement, the executive Directors are Dr. Zhang Fangliang, Mr. Meng Jiange, Ms. Wang Ye and Dr. Zhu Li; the non-executive Directors are Dr. Wang Luquan, Mr. Pan Yuexin and Ms. Wang Jiafen; and the independent non-executive Directors are Mr. Guo Hongxin, Mr. Dai Zumian, Mr. Pan Jiuan and Dr. Wang Xuehai.*

*\*For identification purposes only*